REPORT.

Since the last annual meeting of the stockholders, the works on the Chesapeake and Ohio Canal have been prosecuted with all possible vigor, but under circumstances of peculiar difficulty, owing to the vast competition for labor, by the numerous works of internal improvement in progress throughout the Union, and the unprecedented price of provisions incident on the general failure of agricultural products.

The entire length of the line from the basin in Georgetown to Cumberland is one hundred and eighty four miles; and in order to exhibit to the stockholders a view of present and prospective opera-

tions on the canal, the line will be divided into three sections.

1st. From Georgetown to dam No. 5, seven miles above Williamsport, in distance one hundred and seven miles, and now navigable.

2d. From dam No. 5 to dam No. 6, at the Great Cacapon, twenty-seven miles, being the line now under contract and in progress.

3d. From dam No. 5 to Cumberland, fifty miles, including the

tunnel, deep cut at Old Town, and other works under contract.

The board has carefully inspected the entire line of canal now in use, from tide water at Georgetown to dam No. 5, as well as the line under contract and progressing to the Great Cacapon, and from that point to Cumberland. Many improvements have been made between the first-named points, essential to their security and permanency; and it gives the board great pleasure to state that the embankments are acquring strength and solidity, which secures the canal from the hazard of future breaches, and the consequent interruption of its trade. Until within the last week, no interruption to navigation has occurred from breaches, or any other cause, during the present year, and then only for three or four days. The inner slope of the tow-path has been covered with broken stone to a considerable extent, and it is deemed advisable to proceed gradually with this improvement on the whole line where it may be necessary. It has been found from experience to answer the purpose of protection better than walling, and at diminished cost. This work is performed by a few hands in the rervice of the company, under the direction of the superintendents on each division, and at times when they cannot be more profitably employed. The basin at Georgetown has been so much filled by deposites of sand and mud from the freshets of Rock Creek, that the Board found it necessary to adopt measures for their removal, and for that purpose procured a dredging machine, which is in successful opention, and has already made considerable progress in removing the